

COMMISSIONERS OF THE LAND OFFICE

Regular Investment Meeting Minutes

June 1, 2022, at 2:00 p.m.

Large Conference Room

Commissioners of the Land Office—Ninth Floor

Oklahoma City, Oklahoma

Notice was posted online with the Secretary of State on December 10, 2021. Public notice was also posted at the Commissioners of the Land Office on Tuesday May 31, 2022, by 11:00 am.

Investment Committee Members:

Mathangi Shankar, Investment Committee Member
Billy Swindell, Investment Committee Member
Bob Mareburger, Investment Committee Member

CLO Staff Present:

Elliot Chambers, Secretary
Bennett Abbott, General Counsel
Karen Johnson, Chief Financial Officer
John Fischer, Senior Director of CRE & Direct Investments
Mike Lyons, Assistant Director of Financial Services
Matt Clarkson, Accountant CPA
Andrea Bair, Assistant General Counsel
Emma Thomas, Financial Manager
Amy Heath, Commercial Real Estate Accountant
Edward Romero, Financial Manager

Visitors Present:

Evan Walter, BOK

Elliot Chambers called the meeting to order at 2:18 p.m., confirmed proper posting of the meeting notice, ensured the presence of a quorum, and called the roll.

Mathangi Shankar: Present
Billy Swindell: Present
Bob Mareburger: Present

1. Request Approval of Minutes for Regular Meeting held April 6, 2022

- a. *Presented by Elliot Chambers, Secretary*
- b. *Discussion*

Action in which the Committee may approve or disapprove the matter and/or direct staff to take further action

Mathangi Shankar made a motion to approve the minutes from the April 6, 2022 meeting. Bob Mareburger seconded the motion.

Shankar:	Aye	
Swindell:	Aye	
Mareburger:	Aye	Motion Carried

2. Secretary's Comments (informational purposes only)

- a. Presented by Elliot Chambers, Secretary*
- b. Discussion*

The Secretary did not make any comments.

3. Presentation of Performance Review by RVK (informational purposes only)

Presented by Jason Samansky and Josh Kevan, RVK

As March 31, 2022, the total value of the CLO Permanent Trust was approximately \$2.67 billion. For the calendar year to date, the Trust returned -2.76%, net of fees, outperforming the target allocation index by 124 basis points.

4. Request Approval to Renew the Following Investment Manager Contracts for the FY 2023 Beginning July 1, 2022:

- Allianz Global Investors
- BlackRock (Russell 1000 Index Fund)
- Boston Partners Investment Management (Robeco)
- CenterSquare Investment Management, LLC
- Cohen & Steers Capital Management, Inc
 - Preferreds
 - Global Listed Infrastructure
- Dodge & Cox
- FortWashington Investment Advisors
- Guggenheim Partners, LLC
 - Bonds - BBB
 - Bonds - CMBS
- Harvest Fund Advisors
- Insight Investment (Cutwater)
- J.P. Morgan Asset Management
- Silvercrest Asset Management Group
- Vanguard Institutional Investor Group
 - International Stock

- High Dividend Yield Index
- International High Dividend Yield Index
- Victorium Consulting LLC
- Robinson Park LLC
- Price Edwards (Cornerstone)

Recommendation: The CFO recommends approval of the listed investment manager contracts for the fiscal year beginning July 1, 2022.

- Presented by Karen Johnson, CFO*
- Discussion*
- Action in which the Committee may approve, disapprove, or table the matter and/or direct staff to take further action.*

Bob Mareburger made a motion to approve of the listed investment manager contracts for fiscal year beginning July 1, 2022. Mathangi Shankar seconded the motion.

Shankar:	Aye	
Swindell:	Aye	
Mareburger:	Aye	Motion Carried

5. Consideration and Possible Action to Approve Contracts or Purchases beginning July 1, 2022

- Bank of Oklahoma \$180,000
- RVK \$400,000

Recommendation: The CFO recommends approval of the listed contracts for the fiscal year beginning July 1, 2022.

- Presented by Karen Johnson, CFO*
- Discussion*
- Action in which the Committee may approve, disapprove, or table the matter and/or direct staff to take further action.*

Bob Mareburger made a motion to approve the listed contracts for the fiscal year beginning July 1, 2022. Billy Swindell seconded the motion.

Shankar:	Aye	
Swindell:	Aye	
Mareburger:	Aye	Motion Carried

6. Presentation of Commercial Real Estate Performance Review (informational purposes only)

Presented by John Fischer, Senior Director of CREM & Direct Investments

As of March 31, 2022, the one-year return for the CRE portfolio was 5.37%.

7. Consideration and Possible Action for Approval of Operational and Capital Budgets for Management of Commercial Investment Property

The following commercial investment properties with the associated operating expenses and capital budgets and reserve funds are presented for FY 2023 approval:

<u>Building Address</u>	<u>Operating Exp.</u>	<u>Management Fee</u>	<u>Capital Cost</u>
3017 N. Stiles Ave, OKC	\$154,197.00	\$ 8,502.00	\$ 318,436.00
119 N. Robinson, OKC	\$843,358.00	\$21,000.00	\$ 590,184.00
5005 N. Lincoln, OKC	\$204,630.00	\$ 8,539.00	\$ 40,080.00
5050 N. Lincoln, OKC	\$ 12,000.00	\$ 0.00	\$ 0.00
204 N. Robinson Flr 4, 8 ,9, &10	\$346,595.00	\$21,257.00	\$ 10,000.00
921 NE 23 rd St, OKC	\$ 0.00	\$ 0.00	\$ 0.00
400 NE 50 th St, OKC	\$ 0.00	\$ 0.00	\$ 0.00
5727 S. Lewis Ave, Tulsa	\$719,134.00	\$40,426.00	\$ 609,467.00
Lincoln Blvd Land Tracts, OKC	\$ 10,000.00	\$ 0.00	\$ 75,000.00
4734 Kickapoo, Shawnee	\$ 3,067.00	\$ 1,880.00	\$ 10,000.00
10625/30 NW 4 th St, Yukon	\$ 8,540.00	\$10,325.00	\$ 21,996.00
15024 W. Hwy 66, Yukon	\$ 6,921.00	\$ 5,103.00	\$ 10,000.00
NW 122 nd & Western, OKC	\$ 10,000.00	\$ 0.00	\$ 0.00
9201 N I-35 Service Rd, OKC	\$ 44,125.00	\$46,986.00	\$ 10,000.00
123 Robert S Kerr Flr 5-8&29, OKC	\$639,332.00	\$19,590.00	\$ 54,500.00
1 Robert S Kerr, OKC	\$475,819.00	\$36,215.00	\$ 122,500.00
201 W 5 th Street, Tulsa	\$687,939.00	\$19,558.00	\$ 69,629.00
14201/14301 Caliber, OKC	\$502,025.00	\$59,086.00	\$1,127,878.00
13000 N Pennsylvania Ave, OKC	\$130,447.00	\$31,126.00	\$ 10,000.00

Capital Reserve Fund for seven (7) Trusts - \$1,155,987.00

Expected total net income for the commercial investment properties is \$7,007,668.00.

Recommendation: Director of Commercial Real Estate recommends approval of the operational and capital budgets and reserve funds for FY 2023 for the listed commercial investment properties.

- a. Presented by John Fischer, Director of Commercial Real Estate*
- b. Discussion*
- c. Action in which the Committee may approve, disapprove, or table the matter and/or direct staff to take further action.*

Billy Swindell made a motion to approve the operational and capital budgets and

reserve funds for FY 2023 for listed commercial investment properties. Mathangi Shankar seconded the motion.

Shankar: Aye
Swindell: Aye
Mareburger: Aye Motion Carried

8. Consideration and Possible Action for Approval of Capital Budget Revisions for Management of Commercial Investment Property

Based on changes requested by the Oklahoma Department of Rehabilitation Services (DRS) for additional Tenant Improvements requested, the Commercial Real Estate Division presents the following proposed revision to the capital budget for the following commercial investment property for FY 2022 for approval. DRS will fully reimburse the CLO for these additional costs.

<u>Building Address</u>	<u>Approved CAPEX</u>	<u>Revision</u>	<u>New Capital Budget</u>
5005 N. Lincoln, OKC	\$ 300,000.00	\$ 95,000.00	\$ 395,000.00

Recommendation: Senior Director of Commercial Real Estate Management and Direct Investments recommends approval of the revision to the capital budget for FY 2022 for the listed commercial investment property.

- a. *Presented by John Fischer, Director of Commercial Real Estate*
- b. *Discussion*
- c. *Action in which the Committee may approve, disapprove, or table the matter and/or direct staff to take further action.*

Bob Mareburger made a motion to approve the revision to the capital budget for FY 2022 for listed commercial investment property. Mathangi Shankar seconded the motion.

Shankar: Aye
Swindell: Aye
Mareburger: Aye Motion Carried

9. Consideration and Possible Action to Approve Investment Real Estate Sale

Lease No.	Legal Description
106297 Pottawatomie County	Approximately Described as a part of the Southeast Quarter (SE/4) of Section 36-11N-03 EIM, more particularly described as follows: Commencing at the Southeast corner of said SE/4; thence N00°05'03"E along the East line of said SE/4 for a distance of 1,358.26 feet; thence N89°54'57"W a distance of 50.00 feet to the point or place of beginning; thence continuing N89°54'57"W a distance of 250.00 feet; thence N00°05'03"E a distance of 264.00 feet; thence S89°54'57"E a distance of 250.00 feet; thence S00°05'03"W a distance of 264.00 feet to the point or place of beginning (to be precisely defined by

	survey). Said described tract contains 66,000 square feet, more or less.
--	--

The Commercial Real Estate Division of the Office of the Commissioners of the Land Office is requesting final approval of a sale of property, including land and building, within the Real Estate Investment Portfolio.

On December 16, 2021, the Commission approved having a consensus appraisal completed for the purpose of possible sale or exchange.

On April 7, 2022, the Commission approved the minimum market value of this investment property of \$1,270,000.00 as determined by consensus appraisal.

Also on April 7, 2022, the Commission authorized the sale of this investment property by exchange or public auction.

On May 25, 2022, a public auction was held. The successful bidder was TWAS Properties, LLC. The final bid was \$1,750,000.00.

Recommendation: Senior Director of Commercial Real Estate Management and Direct Investments recommends the sale of this 66,000 square foot property including land and building commonly known as 4734 N. Kickapoo Avenue in Sec 36-11N-03EIM be approved and a Patent be issued to the successful bidder upon the bidder fulfilling the terms of the purchase agreement.

- a. Presented by John Fischer, Director of Commercial Real Estate*
- b. Discussion*
- c. Action in which the Committee may approve, disapprove, or table the matter and/or direct staff to take further action.*

Bob Mareburger made a motion to approve the sale of 4734 N Kickapoo property and a patent to be issued to the successful bidder. Mathangi Shankar seconded the motion.

Shankar:	Aye	
Swindell:	Aye	
Mareburger:	Aye	Motion Carried

10. New Business

The Committee may discuss, consider, and take possible action regarding new business that could not have been reasonably anticipated or was unknown prior to the regular meeting.

11. Adjourn

A MOTION was made by Mathangi Shankar and seconded by Billy Swindell to adjourn the meeting.

Shankar:	Aye	
Swindell:	Aye	
Mareburger:	Aye	Motion Carried

The meeting was adjourned at 3:10 p.m.